

A. BEST PRACTICES APPROACHES

For successful participation, realized savings and long-term energy efficiency/customer benefits through Questar Gas' DSM initiatives, seven recommendations are listed below. These suggestions are based on the results of the interviews and surveys recently conducted with key market players, Nexant's experience in implementing similar DSM programs around the country, and "exemplary" program benchmarking studies ¹. These best practice recommendations are as follows:

1. Develop a comprehensive energy efficiency approach
2. Simplify and integrate program offerings
3. Brand DSM and focus on customer service
4. Develop strategic partnerships with market actors
5. Provide customized service, when applicable
6. Provide qualified, independent expertise
7. Integrate program evaluation early

A description of each best practices recommendation is provided below.

1. Develop a comprehensive energy efficiency approach

To stimulate a conservation-focused marketplace, numerous resources are needed to reach various customer groups. Examples of key elements include:

- Develop energy-efficiency education and awareness campaigns with customers and market actors.
- Create long-term energy efficiency programs that provide persistent savings.
- When needed, implement fast-response programs and measures to handle transient conditions (price spikes, constrained supply, etc.).

¹ Natural Gas Efficiency NY Potential & Exemplary Programs, Philip Mosenthal, AESP Brownbag Seminar, April 27, 2006; DSM Best Practices. IndEco Strategic Consulting. July 21, 2005; and Responding to the Natural Gas Crisis: America's Best natural Gas Energy Efficiency Programs. ACEEE, M. Kushler, D. York, P. Witte. December 2003.

- Support continual improvement of codes and standards.

2. Simplify and Integrate Program Offerings

An important component for program participation is to create a streamlined program delivery mechanism. Program processes should accomplish the following goals:

- Provide post-purchase claims for prescriptive incentives directly to customers for qualifying equipment.
- Minimize the paperwork requirements and complex program rules.
- Ensure that transitions between internal program offerings are seamless.
- Strive to minimize divisions between programs so they are invisible to customers.
- Where applicable, leverage other utility program offerings (i.e. Rocky Mountain Power) and maintain similar delivery mechanisms to limit market confusion.

3. Brand DSM and focus on customer service

Create an image for the DSM program that can be readily identified by customers and connotes efficiency and conservation. Additionally, provide customer service resources for potential participants to ask questions, learn more about the programs, and access participation procedures.

4. Develop strategic partnerships with market actors

Partnerships with market actors such as equipment manufacturers, vendors, engineering firms, regulators, and industry leaders provide significant benefits to program outreach and market transformation. Key benefits of these alliances include:

- Working with market actors leverages utility capabilities to increase market awareness and technology adoption.

- Utilizing existing trade ally networks creates an instant marketing channel for eligible technologies. Currently, Rocky Mountain Power maintains networks in the residential and commercial HVAC and home construction sectors that could be leveraged for gas program offerings.

5. **Provide customized service, when applicable**

The ability to modify program structures to fluctuating market conditions is paramount to successful initiatives. Audit programs, in particular, should have flexibility to adapt to changing customer needs and requirements.

6. **Provide qualified, independent expertise**

Independent expertise provided to customers adds credibility to the measures and maintains program integrity. Additionally, when high quality expertise is provided in a timely manner, customer satisfaction is enhanced.

7. **Integrate program evaluation early**

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- Working with market actors leverages utility capabilities to increase market awareness and technology adoption.
- Utilizing existing trade ally networks creates an instant marketing channel for eligible technologies. Currently, Rocky Mountain Power maintains networks in the residential and commercial Heating, Ventilation and Air Conditioning, and residential and commercial construction sectors that could be leveraged for gas program offerings.